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CANADA'S FOREIGN TRADE, 1926

Canada's record in foreign trade during the calendar year 1926 indicates that the Dominion has successfully passed through the post-war liquidation period. The year was marked by a gradual improvement in practically every phase of the industrial and commercial activities of the country. Especially indicative of material progress is the more rapid flow of capital and labour into the basic industries during the past two years.

Canada's export trade since 1921 has expanded more rapidly than her import trade and as a result there has been a steadily increasing favourable trade balance. This reflects the greater purchasing power of British and foreign countries, due chiefly to greater stability, as well as increased production in the Dominion. During the past twelve months, however, exports have practically made no gains, while imports, due to the Dominion's increased buying power, have increased over \$118,000,000, thus reducing by that amount the favourable trade balance which amounted in 1925 to \$393,000,000, while in 1926 it was down to \$275,000,000. This change of situation has been gradually developing during the past few months.

An examination of the import figures shows that about one-third of the increase was directly due to increased imports of raw and semi-manufactured products for use in Canadian manufacturing industries. It is also notable that in cases where the values show increases the quantities also show proportionate or larger increases, while in many instances in which values show decreases the quantities imported show increases. Examples: raw cotton, raw rubber, raw tobacco and raw wool.

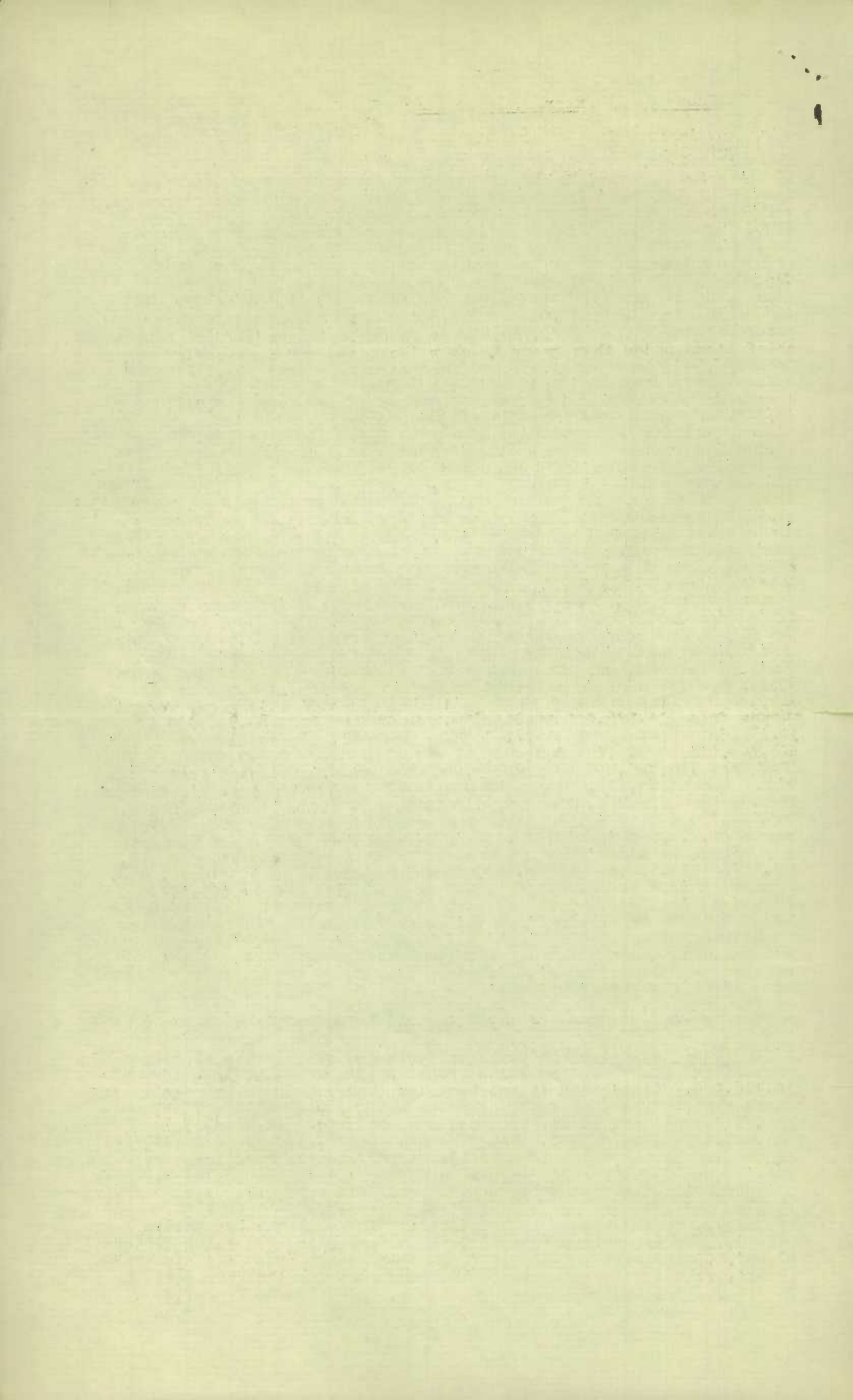
An analysis of Canada's foreign trade shows that the physical volume of both imports and exports in 1926 was greater than for any other year in her history. Statistics have been compiled for the years ended March 31, 1921 to 1926, based on 1914 average values which demonstrate this conclusively. The particulars are set forth in the following table:

Fiscal Years	Imports		Exports (Canadian)	
	Declared Values	Based on 1914 Average Values	Declared Values	Based on 1914 Average Values
	\$	\$	\$	\$
1921....	1,240,159,000	611,286,000	1,189,163,000	543,224,000
1922....	747,804,000	505,128,000	740,241,000	497,546,000
1923....	802,579,000	592,952,000	931,451,000	692,371,000
1924....	893,367,000	637,893,000	1,045,351,000	801,452,000
1925....	796,933,000	597,298,000	1,069,067,000	762,941,000
1926....	927,403,000	703,875,000	1,315,193,000	897,208,000

Imports and Exports: During the calendar year 1926 Canada's total trade was valued at \$2,292,281,000, compared with a similar trade in 1925 valued at \$2,173,292,000; representing an increase, 1926 over 1925, of \$118,989,000. Imports accounted for practically the whole of the increase, the proportions being, imports 99.3 per cent and exports 0.7 per cent. The imports in 1926 were valued at \$1,008,341,000 and exports at \$1,283,939,000 (domestic \$1,268,582,000, and foreign \$15,357,000), the increase in imports over 1925 amounting to \$118,149,000 and in exports to \$840,000. Compared with the calendar year 1920 the total trade shows a decrease of \$347,445,000, the decrease occurring practically all in imports, the decrease in imports amounting to \$328,580,000, and in exports to \$18,865,000. It is of interest to note that the United States had a population of over 75,000,000 before their total trade was as large as that for Canada in 1926.

Increase in Imports, 1925-1926: The increase in the imports of \$118,149,000 in 1926 compared with the imports in 1925 was due to gains in each of the main groups. The agricultural and vegetable group increased from \$196,042,000 to \$210,666,000 or \$14,624,000 (under this group beverages increased from \$23,592,000 to \$28,339,000; vegetable oils from \$8,914,000 to \$12,244,000; fruits from \$27,022,000 to \$29,523,000; and corn from \$7,767,000 to \$10,092,000, while raw sugar decreased from \$33,745,000 to \$32,431,000 and raw rubber from \$25,909,000 to \$24,964,000). The animals and animal products group increased from \$45,629,000 to \$53,464,000 or \$7,835,000; (the principal commodities responsible for this increase were: butter, from \$39,000 to \$3,452,000; furs, from \$9,767,000 to \$12,560,000, and leather, unmanufactured, from \$3,885,000 to \$5,104,000, while cheese shows a decrease from \$2,304,000 to \$427,000). The fibres and textiles group increased from \$179,906,000 to \$184,237,000 or \$4,331,000 (the following items show increases: silk fabrics from \$14,951,000 to \$19,564,000; woollen goods from \$36,101,000 to \$39,199,000; manila and sisal grass from \$2,996,000 to \$4,860,000; silk to be dyed, from \$1,711,000 to \$3,368,000; and raw silk from \$3,028,000 to \$3,850,000; while the following items show decreases: raw cotton from \$28,911,000 to \$23,017,000; raw wool from \$6,545,000 to \$5,493,000; and hemp, dressed or undressed, from \$2,781,000 to \$2,249,000). The wood and paper group increased from \$39,388,000 to \$46,445,000 or \$7,057,000 (the principal increases were: wood, unmanufactured, chiefly lumber, from \$9,752,000 to \$12,698,000; paper from \$9,142,000 to \$10,978,000; books and printed matter from \$12,046,000 to \$13,433,000, and wood, manufactured, from \$8,448,000 to \$9,336,000). The iron and its products group increased from \$166,573,000 to \$219,575,000 or \$53,002,000 (the chief items responsible for this increase were: automobiles from \$14,549,000 to \$24,382,000; rolling mill products from \$38,007,000 to \$47,710,000; machinery from \$30,159,000 to \$38,683,000; automobile parts from \$20,691,000 to \$27,466,000; farm implements from \$11,235,000 to \$17,631,000; engines and boilers from \$11,603,000 to \$13,908,000 and iron ore from \$2,016,000 to \$2,853,000). The main group of non-ferrous metals increased from \$46,677,000 to \$50,766,000 or \$4,089,000 (under this group electric apparatus increased from \$15,501,000 to \$16,697,000; aluminium from \$4,050,000 to \$4,870,000; tin in blocks, pigs, etc., from \$1,673,000 to \$2,468,000; clocks and watches from \$2,317,000 to \$3,101,000; and brass from \$4,153,000 to \$4,833,000; while the imports of copper decreased from \$7,469,000 to \$6,574,000). The non-metallic minerals group increased from \$138,111,000 to \$152,688,000 or \$14,577,000 (the principal increases were: crude petroleum from \$28,362,000 to \$35,388,000; glass and glassware from \$7,156,000 to \$8,515,000; stone and products from \$4,634,000 to \$5,747,000; refined petroleum from \$14,863,000 to \$15,956,000; coke from \$5,553,000 to \$6,567,000; and clay products from \$7,478,000 to \$8,196,000). The chemicals and allied products group increased from \$27,654,000 to \$31,358,000, or \$3,704,000; and the miscellaneous commodities group from \$50,213,000 to \$59,143,000 or \$8,930,000 (ships and vessels under this group increased from \$825,000 to \$2,618,000; settlers' effects from \$6,164,000 to \$7,367,000 and musical instruments from \$1,673,000 to \$2,468,000).

Decrease in Exports, 1925 to 1926: The decrease in the exports of Canadian produce of \$2,405,000 compared with similar exports in 1925 was due to larger decreased exports under the main groups of animals and animal products, non-ferrous metals, fibres and textiles, and chemicals and allied products than to increased exports under agricultural and vegetable products, wood and paper, iron and its products, non-metallic minerals, and miscellaneous commodities. The most notable decrease in Canadian exports occurred in the item "Gold-bearing quartz, nuggets, etc." which, from 1925 to 1926, decreased from \$31,433,000 to \$7,340,000 or \$24,093,000. The production in 1925 was valued at \$35,820,000 and in 1926 at \$35,749,000, and consequently the decrease in exports was not the result of a decrease in production. In 1925 the Royal Mint, Ottawa, however, only purchased Canadian raw gold of a value of about \$2,500,000, whereas in 1926 it purchased Canadian raw gold of a value of \$28,170,000. In other words the amount of Canadian raw gold



purchased by the Royal Mint, Ottawa, in 1925 plus the amount exported practically equalled the production, and in 1926 the amount purchased by the Royal Mint plus the amount exported again practically equalled the production.

From 1925 to 1926 agricultural and vegetable products increased from \$562,410,000 to \$588,886,000 or \$26,476,000 (the chief increases were: wheat from \$326,329,000 to \$362,978,000; rubber goods from \$17,477,000 to \$25,970,000; alcoholic beverages from \$18,687,000 to \$24,539,000; and potatoes from \$6,262,000 to \$11,336,000; while the principal decreases were: cats from \$23,826,000 to \$9,894,000; flaxseed from \$13,167,000 to \$5,354,000; bran, shorts and middlings from \$4,539,000 to \$2,213,000; wheat flour from \$74,319,000 to \$71,994,000; and barley from \$24,245,000 to \$22,516,000). The wood and paper group increased from \$273,726,000 to \$286,306,000 or \$12,580,000 (the chief items under this group to show increases were: newsprint paper from \$98,945,000 to \$114,091,000; and wood pulp from \$47,932,000 to \$52,077,000; while the following items show decreases: planks and boards from \$65,613,000 to \$61,943,000; shingles from \$10,016,000 to \$8,752,000; and laths from \$10,442,000 to \$9,561,000). The main group of iron and its products increased from \$69,482,000 to \$75,602,000 or \$6,120,000 (under this group farm implements increased from \$12,374,000 to \$16,942,000; pigs and ingots from \$1,894,000 to \$3,521,000; rolling mill products from \$1,141,000 to \$2,686,000; and tubing and pipe from \$1,429,000 to \$1,847,000; while machinery decreased from \$5,863,000 to \$4,451,000; automobile parts from \$6,373,000 to \$5,485,000; and automobiles from \$33,045,000 to \$32,737,000). The non-metallic group increased from \$24,343,000 to \$27,113,000 or \$2,770,000 (the exports of coal under this group increased from \$4,329,000 to \$5,739,000; and asbestos from \$9,682,000 to \$10,662,000; while stone and its products decreased from \$6,525,000 to \$5,810,000); and miscellaneous commodities from \$16,358,000 to \$17,058,000 or \$700,000. The increases in the five main groups mentioned above, amounting to \$48,646,000, were more than offset by decreases in the other four main groups which totalled \$51,051,000. The four main groups were: animals and animal products which decreased from \$194,022,000 to \$168,026,000 or \$25,996,000 (the items which show decreases under this group were: cheese from \$34,576,000 to \$24,858,000; butter from \$9,918,000 to \$3,353,000; meats from \$37,715,000 to \$31,642,000; cattle from \$16,743,000 to \$13,294,000; hides, raw, from \$7,680,000 to \$6,707,000; fish from \$36,025,000 to \$35,337,000; and milk, condensed from \$5,088,000 to \$4,523,000; while undressed furs under this group increased from \$17,251,000 to \$19,150,000, and milk and cream, fresh, from \$7,784,000 to \$8,572,000. The non-ferrous metals group decreased from \$103,710,000 to \$82,009,000 or \$21,701,000 (the chief items to show decreases under this group were: gold-bearing quartz, nuggets, etc. from \$31,433,000 to \$7,340,000; aluminium in bars, blocks, etc. from \$6,559,000 to \$5,901,000; lead from \$14,151,000 to \$13,780,000; and nickel from \$12,675,000 to \$12,461,000; while the chief items to show increases were: zinc from \$5,559,000 to \$8,615,000; copper ore and blister from \$13,517,000 to \$13,878,000; and silver ore and bullion from \$12,683,000 to \$13,107,000). The main group of fibres and textiles decreased from \$9,446,000 to \$7,112,000 or \$2,334,000 (under this group raw wool decreased from \$2,502,000 to \$1,324,000, and cottons from \$2,466,000 to \$1,776,000); while the chemical and allied products group decreased from \$17,490,000 to \$16,470,000 or \$1,020,000.

Trade Balances: On December 31, 1920, the visible trade balance was unfavorable to Canada, amounting to \$34,116,000. Since then it has been favourable. During the past six calendar years the favourable trade balances were: 1921, \$17,216,000; 1922, \$135,769,000; 1923, \$125,499,000; 1924, \$262,467,000; 1925, \$392,905,000; and in 1926, \$275,597,000. The trade balances with the United Kingdom and the United States for the past six calendar years were:

Year	With United Kingdom	With United States
1921....	Favourable \$ 186,693,000	Unfavourable \$ 217,568,000
1922....	Favourable 238,768,000	Unfavourable 158,338,000
1923....	Favourable 207,410,000	Unfavourable 177,484,000
1924....	Favourable 239,570,000	Unfavourable 101,519,000
1925....	Favourable 331,095,000	Unfavourable 97,430,000
1926....	Favourable 295,748,000	Unfavourable 191,565,000

Duty Collected: During the calendar year 1926 the duty collected on imports amounted to \$155,166,000, as against \$137,858,000 in 1925; \$124,163,000 in 1924; \$136,065,000 in 1923; \$132,172,000 in 1922; and \$117,693,000 in 1921. In 1920 the duty collected amounted to \$203,029,000. The average ad valorem rate on total imports for each of the past seven calendar years was: 1920, 15.2%; 1921, 14.7%; 1922, 17.3%; 1923, 15.1%; 1924, 15.2%; 1925, 15.5%; and 1926, 15.4%.

Imports and Exports by Countries: The total imports from and total Canadian exports to principal countries for the calendar year 1926, arranged in order of importance of the total trade; with increases or decreases compared with 1925, were as under -

(In Thousands of Dollars)

Countries	Imports for Consumption	Exports, Canadian	Inc. (✓) or Dec. (-)	
			Imports	Exports
All countries.....	1,008,342	1,268,582	(✓) 118,149	(-) 2,405
Foreign Countries..	794,402	713,645	(✓) 108,244	(✓) 19,146
British Empire....	213,940	554,937	(✓) 9,905	(-) 21,551
United States.....	669,458	465,206	(✓) 89,782	(-) 7,186
United Kingdom....	164,709	459,236	(✓) 2,590	(-) 32,904
Japan.....	11,240	37,914	(✓) 2,660	(✓) 12,239
Germany.....	14,002	30,706	(✓) 4,966	(-) 371
France.....	22,502	15,281	(✓) 3,936	(✓) 3,511
Netherlands.....	7,712	25,987	(✓) 1,227	(✓) 3,099
Belgium.....	6,969	21,457	(✓) 2,471	(-) 358
British West Indies	13,536	14,251	(✓) 2,529	(✓) 2,278
British East Indies	14,378	13,363	(-) 1,665	(✓) 3,894
Australia.....	5,781	18,363	(✓) 3,509	(✓) 4,308
China.....	4,797	18,242	(✓) 2,126	(✓) 2,709
Italy.....	3,247	16,572	(✓) 812	(✓) 6,374
New Zealand.....	3,943	15,192	(✓) 2,229	(-) 1,016
Argentina.....	5,379	13,657	(✓) 1,310	(✓) 1,732
Cuba.....	7,635	7,771	(-) 4,909	(-) 9
Newfoundland.....	1,908	11,279	(✓) 251	(✓) 135
Switzerland.....	9,171	1,310	(✓) 1,785	(✓) 905

Principal Exports: During the calendar year 1926 the principal exports of Canadian commodities, arranged in order of importance, with portions exported to the United Kingdom and the United States were:

Commodity	Total Exports	To United Kingdom	To United States
	\$	\$	\$
Wheat.....	362,978,000	261,464,000	11,110,000
Newsprint paper.....	114,091,000	984,000	106,759,000
Wheat flour.....	71,994,000	24,366,000	109,000
Planks and boards....	61,943,000	6,722,000	50,179,000
Wood pulp.....	52,077,000	3,895,000	48,220,000
Fish.....	35,337,000	5,427,000	14,688,000
Automobiles.....	32,737,000	2,828,000	70,000
Meats.....	31,642,000	24,491,000	5,493,000
Cheese.....	24,858,000	21,763,000	1,992,000
Barley.....	22,516,000	14,654,000	3,000
Furs, undressed.....	19,150,000	7,146,000	11,727,000
Whiskey.....	18,434,000	153,000	15,475,000
Tires, pneumatic.....	17,213,000	2,819,000	37,000
Farm implements.....	16,942,000	711,000	3,619,000
Sugar, refined.....	15,991,000	8,742,000	103,000
Copper.....	15,009,000	1,306,000	13,234,000
Pulpwood.....	14,067,000	-	14,067,000
Lead.....	13,780,000	5,324,000	511,000
Cattle.....	13,294,000	8,177,000	4,893,000
Silver ore and bullion	13,107,000	242,000	6,156,000
Nickel.....	12,461,000	4,182,000	6,175,000
Potatoes.....	11,336,000	-	7,641,000
Asbestos, raw.....	10,662,000	612,000	7,184,000

<u>Commodity</u>	<u>Total Exports</u> \$	<u>To United Kingdom</u> \$	<u>To United States</u> \$
Oats.....	9,894,000	4,752,000	232,000
Laths (wood).....	2,561,000	-	9,471,000
Shingles (wood).....	2,752,000	1,000	2,674,000
Zinc.....	8,615,000	1,905,000	303,000
Milk and cream, fresh...	8,572,000	-	8,572,000
Leather, unmanufactured.	7,870,000	1,174,000	6,348,000
Settlers' effects.....	7,146,000	370,000	6,380,000
Hides, raw.....	6,707,000	34,000	6,407,000
Boots and shoes, rubber.	6,570,000	2,709,000	4,000
Aluminium in bars, etc..	5,901,000	137,000	4,531,000
Coal.....	5,739,000	620,000	1,951,000
Rye.....	5,625,000	5,052,000	6,000
Automobile parts.....	5,425,000	490,000	426,000
Apples, fresh.....	5,409,000	4,994,000	112,000
Flaxseed.....	5,354,000	-	5,354,000

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